GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:313
ANSWERED ON:20.03.2008
VARIATION IN THE PRICES OF PETROLEUM PRODUCTS
Bhagora Shri Mahavir;Gupta Shri Shyama Charan

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the prices of petroleum, diesel, cooking gas and LPG used for commercial purposes vary in different States of the country at present;

(b) if so, whether due to such variation in prices these products are being smuggled from one State to another;

(c) if so, the State-wise details of cases of smuggling which came to light during the last three years;

(d) the reasons for allowing the State Governments to levy local tax upto 30% per litre on the centrally controlled petroleum products;

(e) whether the Union Government proposes to take any action for bringing uniformity in local taxes on petroleum products in all the States and to fix the maximum limit thereof at 4% per litre; and

(f) if so, the details thereof?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

(a) to (f): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (f) of Lok Sabha Starred Question No. 313 by Shri Mahavir Bhagora and Shri Shyama Charan Gupta to be answered on 20th March, 2008 regarding variation in the prices of petroleum products.

(a): The retail selling prices of petrol, diesel, domestic LPG and the LPG used for commercial purposes differ from State to State on account of differences in freight, siding / shunting charges and State specific levies like State surcharge, VAT rate, cess, octroi, entry tax etc. A major reason for difference in consumer prices is different VAT rates levied by various State Governments.

(b)&(c): Public Sector Oil Marketing Companies (OMCs) have informed that they have not received any such complaints during the last three years.

(d)to(f): The subject matter of Sales Tax comes under the purview of the State Governments and they are vested with the power to levy Sales Tax / VAT within their States. Consequent to enactment of Finance Bill 2006, domestic LPG has become a "Declared Good" under the CST Act and the maximum Sales Tax/VAT rate, therefore, is 4% effective 19.04.06 across all the States/ Union Territories. The State-wise rates of Sales Tax / VAT on sensitive petroleum products are given in the annexe.

The Central Government has been continuously taking up the matter with the State Governments for reduction in the rates of Sales Tax / VAT.

Annexe

Annexe referred to in reply to parts (d) to (f) of Lok Sabha Starred Question No. 313 by Shri Mahavir Bhagora and Shri Shyama Charan Gupta to be answered on 20th March, 2008 regarding variation in the prices of petroleum products.

Taxes / levies by States on petroleum products as of 1.3.08 (Percentage)

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State  Tax MS HSD Domestic LPG
MAHARASHTRA  VAT  27% + Re. 1/Ltr. 25.00 4.00
GUJARAT  VAT  26.00 24.00 4.00
 Cess 2.00 3.00 0.00
MADHYA PRADESH VAT 28.75 26.00 4.00
 Entry Tax 1.00 1.00 9.50
CHATTISGARH VAT 25.00 25.00 4.00
 Entry Tax   1.00
GOA VAT 22.00 21.00 4.00
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UTTAR PRADESH VAT 26.00 21.00 4.00
UTTARANCHAL VAT 25.00 21.00 4.00
Tax Rebate (effective 16.6.06) (Rs. 0.78/Ltr.) (Rs. 0.38/Ltr.)
DELHI VAT 20.00 12.50 4.00
HIMACHAL PRADESH VAT 25.00 14.00 4.00
JAMMU & KASHMIR Sales Tax 20.00 12.00
VAT 4.00
Cess Rs. 1000/KL
PUNJAB VAT 27.50 8.80 4.00
Cess Re. 1/Ltr
RAJASTHAN VAT 28.00 20.00 4.00
Cess Rs. 0.50/Ltr Rs. 0.50/Ltr
HARYANA VAT 20.00 12.00 4.00
CHANDIGARH VAT 22.00 12.50 4.00
Cess Rs. 10/KL Rs. 10/KL
ANDHRA PRADESH VAT 33.00 22.25 4.00
TAMIL NADU VAT 30.00 23.43 4.00
PONDICHERRY VAT 12.50 12.50 1.00
KERALA Sales Tax 29.01 24.69
VAT 4.00
KARNATAKA Sales Tax 28.00 20.00
Entry Tax 5.00 5.00
VAT 4.00
ORISSA VAT 20.00 20.00 4.00
Entry Tax 1.00 1.00 1.00
ASSAM VAT 25.75 15.50 4.00
BIHAR VAT 27.00 20.00 4.00
JHARKHAND VAT 20.00 20.00 4.00
WEST BENGAL Sales Tax 25.00 17.00
Cess Rs. 1000/KL Rs. 1000/KL
VAT 4.00